

## REMARKS

Claims 1-24 are currently pending, wherein claims 2-4, 13, 14, 17, 20, 22 and 23 have been amended to correct typographical errors. Applicants respectfully request favorable reconsideration in view of the remarks presented herein below.

In paragraph 3, the Office Action notes that the drawings are objected to by the draftsperson. In response, Applicants submit herewith formal drawings addressing the draftsperson's concerns.

In paragraph 4, the Office Action objects to claims 2, 3 and 12 for not containing a colon after the term "comprising." Applicants note that it appears the Examiner meant to object to claim 13, not claim 12 inasmuch as claim 12 does not include the phrase "comprising." Claims 2, 3 and 13 have been amended to include a colon as suggested, thereby addressing the Examiner's concerns.

In paragraph 6, the Office Action rejects claims 1-5, 7-15, and 17-22 under 35 U.S.C. §102(b) as allegedly being anticipated by U.S. Patent No. 4,879,645 to Tamada et al. ("Tamada"). Applicants respectfully traverse this rejection.

The present invention is directed to a method of managing a secure terminal. More specifically, the present invention provides a method and apparatus for use within a secure terminal which guarantees that the terminal and its security module are not used outside of the applications to which they are dedicated. In other words, the present invention prevents a defrauder from removing the security module from a terminal and discovering the secured information stored therein.

Tamada discloses a multi-application data processing device, such as a smart card, wherein the algorithm of a specific program/application cannot be discovered. This is achieved in Tamada by limiting the number of times a specific program is run.

To support a rejection under 35 U.S.C. §102(b) the applied reference must teach each and every claimed element. In the present case, claims 1-5, 7-15, and 17-22 are not anticipated by Tamada for at least the reason that Tamada fails to disclose each and every claimed element.

Independent claim 1 recites a method of managing a secure terminal used for transactions with smart cards. The method includes, *inter alia*, placing a smart card in contact with the terminal, executing a program by the terminal, the program including sensitive operations related to making the transaction secure; counting the number of times a request is made to the terminal to execute sensitive operations and restricting the action of the terminal when the count reaches a predetermined value.

In rejecting claim 1, the Office Action asserts that Tamada discloses a method of managing a secure terminal as claimed inasmuch as Tamada discloses a method of preventing the unauthorized detection of information on a *smart card*. This assertion is unfounded for the following reason.

Tamada discloses restricting programs within the smart card, not the action of the *terminal*, as recited in claim 1. As result, the security of the Tamada terminal can still be breached because access to the terminal using a different smart card is not restricted. In contrast, the present invention freezes the *terminal* such that no one is able to use the terminal until the terminal is re-initialized by the master system. Accordingly, independent claim 1 is not anticipated by Tamada.

Independent claim 12 defines a security circuit configured to carry out the method of claim 1. Furthermore, claims 2-5, 7-11, 13-15, and 17-22 variously depend from independent claim 1. Therefore, claims 2-5, 7-15, and 17-22 are

patentably distinguishable over Tamada for at least those reasons presented above with respect to claim 1. Accordingly, Applicants respectfully request reconsideration and withdrawal of the rejection of claims 2-5, 7-11, 13-15, and 17-22 under 35 U.S.C. 102(b).

In paragraph 28, the Office Action rejects claims 6 and 16 under 35 U.S.C. §103(a) as allegedly being unpatentable over Tamada in view of U.S. Patent No. 6,539,093 to Asad et al. ("Asad"). Applicants respectfully traverse this rejection.

Claims 6 and 16 variously depend from independent claim 1. Therefore, claims 6 and 16 are patentably distinguishable over Tamada for at least those reasons presented above with respect to claim 1.

Asad discloses a method of organizing digital keys and key rings using a catalog file. However, Asad fails to overcome the deficiencies of Tamada. More specifically, Asad fails to disclose or suggest a method of managing a secure terminal that includes counting the number of times a request is made to the terminal to execute sensitive operations and restricting the action of the terminal when the count reaches a predetermined value as claimed. Furthermore, the combination of these two reference does not teach or suggest such a method. Therefore, even if one skilled in the art were motivated to combine Tamada and Asad as suggested by the Office Action, the combination would still fail to render claims 6 and 16 unpatentable for at least the reason that the combination fails to disclose each and every claimed element.

For at least the reason presented above, Applicants respectfully request reconsideration and withdrawal of the rejection of claims 6 and 16 under 35 U.S.C. §103 in view of the combination of Tamada and Asad.

The application is in condition for allowance. Notice of same is earnestly solicited. Should the Examiner have any questions regarding this application, the Examiner is invited to call the undersigned at the telephone number provided below.

Respectfully submitted,

BURNS, DOANE, SWECKER & MATHIS, L.L.P.

Date: March 10, 2004

By:



Penny L. Caudle

Registration No. 46,607

P.O. Box 1404  
Alexandria, Virginia 22313-1404  
(703) 836-6620